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22 LINCOLN GENERAL INSURANCE COMPANY

23 **UNITED STATES DISTRICT COURT**
24 **DISTRICT OF NEVADA**

25 WILSON LOGISTICS NEVADA, INC.; TEMPLE
26 INSURANCE COMPANY, individually;
27 TEMPLE INSURANCE COMPANY, as subrogee
28 of Wilson Logistics Nevada, Inc.; SCOTTISH &
YORK INSURANCE COMPANY, individually;
SCOTTISH & YORK INSURANCE COMPANY,
as subrogee of Wilson Logistics Nevada, Inc.;
LLOYD'S OF LONDON, individually; LLOYDS
OF LONDON, as subrogee of Wilson Logistics
Nevada, Inc.; EMPLOYERS REINSURANCE
CORPORATION, individually; EMPLOYERS
REINSURANCE CORPORATION, as subrogee of
Wilson Logistics Nevada, Inc.,

Plaintiffs,

vs.

LINCOLN GENERAL INSURANCE
COMPANY; WALSHIRE ASSURANCE
COMPANY; KINGSWAY AMERICA, INC.; and
KINGSWAY FINANCIAL SERVICES, INC.

Defendants.

///

Case No. 2:11-CV-00225-KJD-PAL

**STIPULATION AND PROPOSED
ORDER FOR STAY PENDING
MEDIATION**

**STIPULATION AND PROPOSED ORDER
FOR STAY PENDING MEDIATION**

1 Plaintiffs and defendant Lincoln General Insurance Company (hereinafter "Lincoln
2 General"), by and through their respective attorneys and for their STIPULATION AND
3 PROPOSED ORDER FOR STAY PENDING MEDIATION state as follows:
4

- 5 1. As this court is aware, this matter previously involved multiple parties and it has been
6 alleged by Plaintiffs that Lincoln General acted in bad faith and breached various duties it
7 owed to Plaintiffs by not settling a claim for one their mutual insureds within Lincoln
8 General's policy limits, the result of which, was that Plaintiffs contributed to the
9 settlement of the underlying matter. Plaintiffs seek to recover from Lincoln General, the
10 only remaining defendant, an amount in excess of \$4,000,000.
- 11 2. Presently, the last date to complete discovery is September 14, 2012; the last date to file
12 dispositive motions is October 12, 2012; and the Joint Final Pretrial Order is to be filed
13 by November 14, 2012. (Doc. # 60).
- 14 3. As this Court may be aware from the written submissions on the previously granted
15 Motions to Dismiss of Walshire Assurance Co., Kingsway America Inc., and Kingsway
16 Financial Services Inc., Lincoln General is a Pennsylvania insurance company. Since
17 February of 2009 Lincoln General has been in "runoff". As set forth on Lincoln
18 General's website,
19
20

21 Lincoln General Insurance Company ("Lincoln") has been in "runoff"
22 since February 2009. As such, and subject to certain statutory and/or
23 legal exceptions, Lincoln ceased writing new policies in or around
24 February 2009. In addition, Lincoln is currently working with the
25 Pennsylvania Department of Insurance in an effort to satisfy remaining
26 obligations and liabilities.

27 ...

28 Based in whole, or in part, on Lincoln's financials, twenty-six (26)
states have made findings resulting in formal suspensions of Lincoln's
Certificates of Authority. As of April 12, 2011, these states included
Alabama, Alaska, Arkansas, California, Colorado, Florida, Idaho,
Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Mississippi,
Missouri, Nevada, New York, North Dakota, Ohio, Oregon, South

STIPULATION AND PROPOSED ORDER FOR STAY PENDING MEDIATION

1 Carolina, Tennessee, Virginia, Washington, West Virginia, and
2 Wyoming.

3 (*See* “Runoff Announcement” attached hereto and incorporated herein as Exhibit “A”).

4 4. Shortly before Lincoln General going into “runoff”, Lincoln General’s surplus was
5 \$79,227,960. (*See* Exhibit “A”).

6 5. Since that time and as reflected in Lincoln General’s March 31, 2012, Quarterly
7 Statement, Lincoln General’s surplus has significantly diminished. In fact, Lincoln
8 General’s’ March 31, 2012, Quarterly Statement reflects a surplus of only \$1,591,548.
9 (*See* Lincoln General’s March 31, 2012, Quarterly Statement attached hereto and
10 incorporated herein as Exhibit “B”).

11 6. Based on the above, counsel for Plaintiffs and Lincoln General in the recent past met in
12 person to discuss the financial wherewithal of Lincoln General and the issue of whether
13 Lincoln General will ultimately be able to satisfy a judgment should Plaintiffs obtain
14 same¹.

15 7. In light of the information received regarding Lincoln General’s financial condition at
16 said meeting, it was agreed between the parties that a settlement mediation may be
17 fruitful in reaching some type of resolution to the instant matter. Since that time the
18 parties have agreed on a mediator and have confirmed a mediation date of September 10,
19 2012.

20 8. Accordingly, as further set forth below, the parties seek to stay the proceedings until such
21 time that they are able to mediate the matter and determine whether settlement is
22 possible.
23
24
25
26

27 ¹ Although Lincoln General has, and continues, to deny that Plaintiffs are entitled to any recovery
28 from Lincoln General, Plaintiffs’ Complaint seeks to recover approximately \$4 million from Lincoln General.

1 9. When considering a motion to stay proceedings, a court looks at factors comprising a
2 three-part test:

- 3 1) whether a stay would unduly prejudice the non-moving party or allow for a
4 tactical advantage for the moving party;
5 2) whether a stay will simplify the issues in the case at trial; and
6 3) whether discovery has commenced, or is almost complete and whether a trial date
7 has been set.

8 (See Computerized Screening Inc., v. Lifeclinic International, Inc., 2010 U.S. Dist.
9 LEXIS 93072 (D. Nev. 2010) and Wireless Spectrum Techs., v. Motorola Corp., 57
10 U.S.P.Q. 2d 1662, 1663 (N.D. Ill. 2001)).

11 10. In the instant matter all three elements favor the stay requested herein.

12 11. Here, the instant motion is presented as an agreed stipulation between the parties.

13 Accordingly, as all of the interested parties agree to the relief requested herein, the issues
14 of undue prejudice or allowing for a tactical advantage for the moving party are rendered
15 moot, and favor the entry of a stay.

16 12. Furthermore, the requested stay will simplify the issues should a trial be necessary. As
17 the stay being requested is for the parties to mediate the matter with the goal of reaching
18 a settlement of all of the pending claims, the mediation may result in a total resolution of
19 the matter which would obviate the need for any trial.

20 13. The third factor to be considered also favors a granting of the stay. In this matter
21 although the parties have conducted a significant amount of discovery and no trial date
22 has been set, it is evinced by the potentially 18 depositions to be taken that significant
23 discovery remains.

24 14. Although a substantial amount of written and oral discovery has been completed, there
25 remains additional document production and approximately 18 potential depositions to be
26 taken.
27
28

1 15. Based on the discovery conducted to date, the facts and issues which will ultimately be
2 set before the Court and jury at the trial of this matter have been clarified. The parties
3 agree that going forward there will be significant time and expense required to complete
4 the remaining discovery, prepare and present dispositive motions and prepare the matter
5 for trial. The expense of conducting this discovery will necessarily weaken the ability of
6 Lincoln General to satisfy the outcome of a trial or other resolution of this matter².

7
8 16. Should this matter not be resolved the parties anticipate that the following depositions
9 will also be taken:

10 a.) The parties have agreed to depose Counsel for the excess carriers;

11 b.) The underlying defense counsel;

12 c.) The depositions of Plaintiffs employees and/or representatives Andrea Cahill, Mark
13 Royko, Keith Batten, Adam Payne, Daniel Capuccio, and Stella Capelluto have also
14 been requested;

15
16 d.) Also to be taken are the 30(b)(6) of both Plaintiffs and Defendant (these deponents
17 are located throughout North America and Europe);

18 e.) Another deposition which Defendant has subpoenaed is that of Peter Christiansen,
19 who also served as counsel for Plaintiff in the underlying matter (this deposition will
20 proceed in Nevada); and

21 f.) The parties will also take the depositions of their respective experts (located in
22 Wisconsin and Pennsylvania).

23
24 17. The parties respectfully submit that at this juncture in an effort to dispose of the entire
25 matter via settlement rather than expend additional time and expense on completing the
26 above outlined discovery, that they be granted a stay to mediate the matter.

27
28 ² Lincoln General has, and continues, to deny that Plaintiffs are entitled to any recovery from
Lincoln General.

1
2 18. Accordingly, the parties respectfully request that the discovery deadline of September
3 14, 2012, the dispositive motion deadline of October 12, 2012, and the November 14,
4 2012, date by which to file the joint pretrial order as outlined in the June 22, 2012,
5 Scheduling Order (Doc. #60), be stayed pending the September 10, 2012, mediation.
6

7
8 WHEREFORE, Plaintiffs and Lincoln General Insurance Company move this Honorable
9 Court to enter an order staying the matter, striking the current deadlines and set the matter for a
10 status on mediation following September 10, 2012, and for any other relief as the Court deems
11 necessary and just.
12

13
14
15 Dated: August 22, 2012

Respectfully submitted,

16 By: /s/ Nick Sideris
17 Nick Sideris (*pro hac vice*)
18 Ruberry, Stalmack & Garvey, LLC
19 500 West Madison Street, Suite 2300
20 Chicago, IL 60661
21 Tel. No. 312.466.7295
Fax No. 312.466.8001
Attorneys for Lincoln General
Insurance Company

22 By: <u>/s/ Matthew S. Sollitto</u> 23 Matthew S. Sollitto Nevada Bar # 10993 24 One of Plaintiff's Attorneys 25 CLAUSEN MILLER P.C. 26 10 South LaSalle Street Chicago, IL 60603 Telephone: 312-855-1010 Facsimile: 312-606-7777
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ORDER

Good cause appearing,

IT IS HEREBY ORDERED:

- a. The discovery deadline of September 14, 2012, is stayed pending the mediation currently set for September 10, 2012;
- b. The dispositive motion deadline of October 12, 2012, is stayed pending the mediation currently set for September 10, 2012;
- c. The November 14, 2012, date by which to file the joint pretrial order is stayed pending the mediation currently set for September 10, 2012; and
- d. This matter is hereby referred to U.S. Magistrate Judge Peggy A. Leen for the scheduling of a status conference.

DATED: September 12, 2012



KENT J. DAWSON
UNITED STATES DISTRICT JUDGE

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Announcement

Status Report on LGIC Runoff - March 2012

March 19, 2012: This web page has been updated with the most recent financial information for LGIC.

Lincoln General Insurance Company ("Lincoln") has been in "runoff" since February 2009. As such, and subject to certain statutory and/or legal exceptions, Lincoln ceased writing new policies in or around February 2009. In addition, Lincoln is currently working with the Pennsylvania Department of Insurance in an effort to satisfy remaining obligations and liabilities.

With that background, we refer you to Lincoln's most recent **financial statements**, which are available at www.lincolngeneral.com/reports/statements.aspx

You will note that, as of December 31, 2008, which was just prior to Lincoln entering run-off in February 2009, Lincoln's surplus was \$79,227,960. (See the **Annual Statement 2008**, dated December 31, 2008, page 4 Line 39.)

As of December 31, 2011, Lincoln's surplus (on its discounted balance sheet) was \$2,854,963. (See the **Annual Statement 2011**, dated December 31, 2011, page 4 Line 39.)

As of March 31, 2012, Lincoln's surplus (on its discounted balance sheet) was \$1,591,548. (See the **First Quarter Statement 2012**, dated March 31, 2012, page 4 Line 39.)

Based in whole, or in part, on Lincoln's financials, twenty-six (26) states have made findings resulting in formal suspensions of Lincoln's Certificates of Authority. As of April 12, 2011, these states included Alabama, Alaska, **Arkansas, California**, Colorado, Florida, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Mississippi, Missouri, Nevada, New York, **North Dakota**, Ohio, **Oregon**, South Carolina, Tennessee, Virginia, **Washington**, West Virginia, and Wyoming.

Orders issued by some of these states include the following language:

- **Arkansas Order of Suspension** - March 24, 2010

Regulators suspended Lincoln General's Certificate of Authority due to a "financially hazardous condition."

[www.lincolngeneral.com/orders/Arkansas Order of Suspension 2010-03-24.pdf](http://www.lincolngeneral.com/orders/Arkansas%20Order%20of%20Suspension%202010-03-24.pdf)

EXHIBIT**A**

- **California Cease and Desist Order** - May 26, 2010

"Lincoln is insolvent within the meaning of California Insurance Code §985 since it is unable to meet each and every one of its financial obligations."

[www.lincolngeneral.com/orders/California Cease and Desist Order 2010-05-26.pdf](http://www.lincolngeneral.com/orders/California%20Cease%20and%20Desist%20Order%202010-05-26.pdf)

- **North Dakota Temporary Order Suspending COA** - February 23, 2010

"This is a substantial decrease in surplus in just one year. This renders Respondent's further proceedings hazardous to its policyholders... Respondent is in an unsound condition."

[www.lincolngeneral.com/orders/North Dakota Temporary Order 2010-02-23.pdf](http://www.lincolngeneral.com/orders/North%20Dakota%20Temporary%20Order%202010-02-23.pdf)

- **Oregon Suspension Order** - March 17, 2010

"LGIC did not maintain at least \$5,000,000 in capital and surplus, or any combination thereof, as required by ORS 731.554(2)... LGIC did not comply with the minimum capital and surplus requirement of ORS 731.554 for a certificate of authority."

[www.lincolngeneral.com/orders/Oregon Suspension Order 2010-03-17.pdf](http://www.lincolngeneral.com/orders/Oregon%20Suspension%20Order%202010-03-17.pdf)

- **Washington Consent Order Suspending COA** - March 30, 2010

"On March 18, 2010, OIC gave notice to LGIC of its intent to revoke Certificate of Authority No. 1950, based upon LGIC's failure to maintain minimum statutory capital and surplus... LGIC is in a hazardous financial condition according to the standards contained in WAC 284-16-310... the Insurance Commissioner will issue this Consent Order that: ... requires LGIC to promptly and properly settle all claims arising from policies issued in this state or covering property interests wholly or partially located in this state..."

[www.lincolngeneral.com/orders/Washington Consent Order Suspending COA 2010-03-30.pdf](http://www.lincolngeneral.com/orders/Washington%20Consent%20Order%20Suspending%20COA%202010-03-30.pdf)

As noted above, certain state regulators have concluded that Lincoln is: in "hazardous financial condition," in an "unsound condition," or "insolvent" within the meaning of varying state statutes. In addition to these state-mandated suspensions, Lincoln entered into voluntary agreements to cease writing in seven (7) additional states. As of April 12, 2011, these states included Connecticut, Massachusetts, Michigan, New Hampshire, New Jersey, Texas and Vermont.



PROPERTY AND CASUALTY COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENTAS OF MARCH 31, 2012
OF THE CONDITION AND AFFAIRS OF THE**Lincoln General Insurance Company**

NAIC Group Code 4753 (Current) (Prior) NAIC Company Code 33855 Employer's ID Number 23-2023242

Organized under the Laws of Pennsylvania, State of Domicile or Port of Entry Pennsylvania

Country of Domicile United States of America

Incorporated/Organized 03/17/1977 Commenced Business 05/13/1977

Statutory Home Office 3501 Concord Road, York, PA 17402-0136
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 3501 Concord Road
(Street and Number)
York, PA 17402-0136 717-757-0000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 3709, York, PA 17402-0136
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 3501 Concord Road
(Street and Number)
York, PA 17402-0136 717-757-0000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.lincolngeneral.com

Statutory Statement Contact Karen L. Groff, 717-757-0000
(Name) (Area Code) (Telephone Number)
karen.groff@lincolngeneral.com 717-757-7901
(E-mail Address) (FAX Number)

OFFICERS

Chief Executive Officer Gary Joseph Orndorff Corporate Secretary Albert Bernard Miller
Chief Financial Officer Charles William Basta

OTHER

Charles William Basta Treasurer Aaron Steven Levine Assistant Vice President Albert Bernard Miller Assistant Vice President

DIRECTORS OR TRUSTEES

Marvin David Mohn Jonathan Frederick Bank Norris William Clark
Joshua Scott Horowitz Stewart Alan Keir Paul Martin Mooney
Gary Joseph Orndorff

State of Pennsylvania SS:
County of York

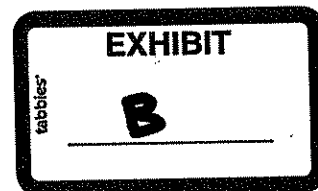
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Gary Joseph Orndorff Charles William Basta Albert Bernard Miller
Chief Executive Officer Chief Financial Officer Corporate Secretary

Subscribed and sworn to before me this _____ day of _____

Amy Sue Pendleton
Notary Public
April 20, 2015

- a. Is this an original filing? Yes [X] No []
b. If no,
1. State the amendment number.....
2. Date filed.....
3. Number of pages attached.....



STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	156,963,096		156,963,096	160,696,076
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	9,438,260		9,438,260	9,568,001
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$8,292,491), cash equivalents (\$0) and short-term investments (\$31,761,176)	40,053,667		40,053,667	62,285,076
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities	296,144		296,144	270
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	206,751,167	0	206,751,167	232,549,423
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	1,731,091		1,731,091	1,467,248
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,126,489	8,335,826	790,663	748,571
15.2 Deferred premiums, agents' balances and instalments booked but deferred and not yet due (including \$ earned but unbilled premiums)	307,305		307,305	554,110
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	480,220		480,220	932,689
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	234,556
17. Amounts receivable relating to uninsured plans			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	12,081	9,834	2,247	2,917
21. Furniture and equipment, including health care delivery assets (\$)	341,975	341,975	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	172,279		172,279	0
24. Health care (\$) and other amounts receivable			0	0
25. Aggregate write-ins for other than invested assets	4,408,901	3,104,517	1,304,384	1,287,303
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	223,331,508	11,792,152	211,539,356	237,776,817
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	223,331,508	11,792,152	211,539,356	237,776,817
DETAILS OF WRITE-INS				
1101.			0	0
1102.			0	0
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Equities and deposits in pools and associations	763,186		763,186	593,393
2502. Non Premium Receivable	269,128		269,128	551,579
2503. Prepaid Expense	3,224,075	3,099,075	125,000	0
2598. Summary of remaining write-ins for Line 25 from overflow page	152,512	5,442	147,070	142,331
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	4,408,901	3,104,517	1,304,384	1,287,303

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 132,986)	165,481,577	185,847,431
2. Reinsurance payable on paid losses and loss adjustment expenses	141,699	26,800
3. Loss adjustment expenses	32,398,687	36,709,767
4. Commissions payable, contingent commissions and other similar charges	1,181,357	1,170,319
5. Other expenses (excluding taxes, licenses and fees)	3,707,856	3,845,821
6. Taxes, licenses and fees (excluding federal and foreign income taxes)		
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))		
7.2 Not deferred tax liability		
8. Borrowed money \$ and interest thereon \$		
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 103,011 and including warranty reserves of \$ and accrued accident and health experience rating refunds including \$ for medical loss ratio rebate per the Public Health Service Act)	779,041	559,909
10. Advance premium		
11. Dividends declared and unpaid:		
11.1 Stockholders		
11.2 Policyholders		
12. Ceded reinsurance premiums payable (net of ceding commissions)	327,544	317,055
13. Funds held by company under reinsurance treaties	955,450	1,018,381
14. Amounts withheld or retained by company for account of others	1,531,372	1,666,561
15. Remittances and items not allocated		
16. Provision for reinsurance	164,800	164,800
17. Net adjustments in assets and liabilities due to foreign exchange rates		
18. Drafts outstanding		
19. Payable to parent, subsidiaries and affiliates		
20. Derivatives		
21. Payable for securities		
22. Payable for securities lending		
23. Liability for amounts held under uninsured plans		
24. Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	3,278,425	3,595,020
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	209,947,808	234,921,854
27. Protected cell liabilities		
28. Total liabilities (Lines 26 and 27)	209,947,808	234,921,854
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	4,200,000	4,200,000
31. Preferred capital stock		
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes		
34. Gross paid in and contributed surplus	454,675,000	454,675,000
35. Unassigned funds (surplus)	(457,283,452)	(456,020,037)
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$)		
36.2 shares preferred (value included in Line 31 \$)		
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	1,591,548	2,854,963
38. Totals (Page 2, Line 28, Col. 3)	211,539,356	237,776,817
DETAILS OF WRITE-INS		
2501. Deposits by Insureds	3,014,928	3,331,523
2502. Other Liabilities	263,497	263,497
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	3,278,425	3,595,020
2901.		
2902.		
2903.		
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0
3201.		
3202.		
3203.		
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298)(Line 32 above)	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

STATEMENT OF INCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
UNDERWRITING INCOME			
1. Premiums earned:			
1.1 Direct (written \$31,986)	(212,001)	2,333,060	4,565,710
1.2 Assumed (written \$182,892)	238,461	370,911	1,450,982
1.3 Ceded (written \$40,456)	71,170	96,858	578,457
1.4 Net (written \$174,422)	(44,710)	2,607,113	5,438,235
DEDUCTIONS:			
2. Losses incurred (current accident year \$145,603):			
2.1 Direct	(2,642,966)	898,711	149,290
2.2 Assumed	(134,146)	1,928,751	(7,081)
2.3 Ceded	(848,176)	(693,996)	(3,562,200)
2.4 Net	(1,928,936)	3,521,458	3,704,409
3. Loss adjustment expenses incurred	3,342,098	2,292,866	11,833,111
4. Other underwriting expenses incurred	1,457,909	1,853,418	3,873,845
5. Aggregate write-ins for underwriting deductions	0	0	(1,606,381)
6. Total underwriting deductions (Lines 2 through 5)	2,871,071	7,667,742	17,804,984
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 + Line 7)	(2,915,781)	(5,060,629)	(12,366,749)
INVESTMENT INCOME			
9. Net investment income earned	1,094,458	1,984,623	6,277,690
10. Net realized capital gains (losses) less capital gains tax of \$	(36,343)	1,693,887	1,665,530
11. Net investment gain (loss) (Lines 9 + 10)	1,058,115	3,678,410	7,943,220
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$45,726 amount charged off \$21,332)	24,394	1,123,463	(679,766)
13. Finance and service charges not included in premiums		80	134
14. Aggregate write-ins for miscellaneous income	172,279	3	1,120,786
15. Total other income (Lines 12 through 14)	196,673	1,123,546	441,154
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	(1,660,993)	(258,673)	(3,982,375)
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	(1,660,993)	(258,673)	(3,982,375)
19. Federal and foreign income taxes incurred			
20. Net income (Line 18 minus Line 19)(to Line 22)	(1,660,993)	(258,673)	(3,982,375)
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year	2,854,963	3,380,107	3,380,107
22. Net income (from Line 20)	(1,660,993)	(258,673)	(3,982,375)
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains (losses) less capital gains tax of \$		(17,756)	(17,756)
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax			
27. Change in nonadmitted assets	397,578	(140,167)	2,021,136
28. Change in provision for reinsurance		13,400	221,600
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles			1,232,252
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in	0	0	0
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock			0
37. Aggregate write-ins for gains and losses in surplus	0	0	0
38. Change in surplus as regards policyholders (Lines 22 through 37)	(1,263,415)	(403,196)	(525,143)
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	1,591,548	2,976,911	2,854,963
DETAILS OF WRITE-INS			
0501. Assigned Risk Service Carrier Fees			(1,606,381)
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598)(Line 5 above)	0	0	(1,606,381)
1401. Service Fee Income	172,279	3	1,120,786
1402.			0
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	172,279	3	1,120,786
3701.			0
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. Totals (Lines 3701 through 3703 plus 3798)(Line 37 above)	0	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	500,134	4,299,704	7,754,481
2. Net investment income	1,383,120	3,488,244	10,574,689
3. Miscellaneous income	431,231	1,123,546	206,596
4. Total (Lines 1 to 3)	2,314,485	8,911,494	18,535,766
5. Benefit and loss related payments	17,869,550	30,454,507	119,525,394
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	9,238,004	15,983,049	50,582,063
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0	0
10. Total (Lines 5 through 9)	27,107,554	46,437,556	170,107,457
11. Net cash from operations (Line 4 minus Line 10)	(24,793,069)	(37,526,062)	(151,571,691)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	3,300,241	107,581,955	216,929,050
12.2 Stocks	0	24,456	24,456
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(39,155)	5,726	13,517
12.7 Miscellaneous proceeds	0	7,135,855	326,054
12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,261,086	114,747,992	217,293,077
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	12,683,831	36,603,226
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	3,120	2,288	2,288
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	295,874	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	298,994	12,686,119	36,605,514
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,962,092	102,061,873	180,687,563
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	(400,432)	(2,163,036)	(1,166,635)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(400,432)	(2,163,036)	(1,166,635)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(22,231,409)	62,372,775	27,949,237
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	62,285,076	34,335,839	34,335,839
19.2 End of period (Line 18 plus Line 19.1)	40,053,667	96,708,614	62,285,076

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Lincoln General Insurance Company ("Company" or "Lincoln") are presented on the basis of accounting practices prescribed or permitted by the Insurance Department of the Commonwealth of Pennsylvania ("PID").

The PID recognizes only statutory accounting practices prescribed by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Pennsylvania Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual has been adopted as a component of prescribed or permitted practices by the Commonwealth of Pennsylvania. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

The Company, with the explicit permission of the PID, recorded all of its loss and loss adjustment expense reserves on a discounted basis effective September 30, 2009. Under the requirements of SSAP No. 55: Par. 8 (Unpaid Claims, Losses and Loss Adjustment Expenses) the Company is required to record its loss and loss adjustment expense reserves at the estimated ultimate cost of settling the claims and the loss and loss adjustment expense reserves shall not be discounted.

The implementation of recording loss and loss adjustment expense reserves on a discounted basis was accounted for as a change in accounting principle and had the effect of initially increasing surplus by \$37,514,787 as of September 30, 2009. The implementation of this permitted accounting practice did not alter the company's regulatory action level under risk-based capital.

See note 32 for additional details.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and permitted practices by the PID of Lincoln is shown below:

		Three months	Twelve months
		Ending	Ending
		March 31, 2012	December 31, 2011
Net Income			
(1)	Lincoln General Insurance Company Pennsylvania basis	\$ (1,660,993)	\$ (3,982,375)
(2)	Permitted Practice - recorded all loss and loss adjustment expense reserves on a discounted basis.	(1,724,581)	(9,066,586)
(3)	NAIC SAP (1-2=3)	\$ 63,588	\$ 5,084,211
Surplus			
(4)	Lincoln General Insurance Company Pennsylvania basis	\$ 1,591,548	\$ 2,854,963
(5)	Permitted Practice - recorded all loss and loss adjustment expense reserves on a discounted basis.	11,524,207	13,248,788
(6)	NAIC SAP (4-5=6)	\$ (9,932,659)	\$ (10,393,825)

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 2. None

Note 3. None

Note 4. None

Note 5. Loan-Backed Securities

1. All prepayment rates (CPR and PSA) for mortgage-backed/loan-backed and structured securities, as well as principal start and end dates, are provided by BlackRock Financial Management's proprietary prepayment modeling system.
2. Not Applicable
3. Not Applicable
4. All impaired securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss.

	Book/Adj Carry Value	NAIC Fair Market Value	Unrealized Loss
Less than 12 Months			
MBS/CMO/ABS	\$ 889,270	\$ 855,196	\$ 34,074
Greater than 12 Months			
MBS/CMO/ABS	\$ -	\$ -	\$ -

5. There are a number of factors that are considered in determining if an Other-Than-Temporary Impairment does not exist for an investment, including but not limited to: debt burden, credit ratings, sector, liquidity, financial flexibility, company management, expected earnings and cash flow stream, and economic prospects associated with the investment.

Note 6. None

Note 7. None

Note 8. None

Note 9. None

Note 10. Information Concerning Parent, Subsidiaries and Affiliates

a) On October 19, 2009, Kingsway Financial Services, Inc. (Kingsway) issued a press release stating that Kingsway America, Inc. ("Kingsway America"), an intermediate holding company wholly owned by Kingsway, had disposed of its entire interest in Walshire Assurance Company ("Walshire"), another intermediate holding company that owned all of the outstanding stock of Lincoln, and that, as a consequence of the disposition ("Disposition"), the Company ceased to be a member of Kingsway's consolidated group of companies. In a letter dated October 20, 2009, the PID objected to the Disposition and directed that the Disposition be unwound until such time as the PID had an opportunity to review the transaction. In November 2009, Kingsway America and the PID both initiated legal action in regards to the Disposition. On April 1, 2010, the Pennsylvania Commonwealth Court ruled that the Disposition by Kingsway and Kingsway America did not violate the Insurance Holding Companies Act or the General Association Amendments ("GAA"). On April 30, 2010, the PID appealed the April 1, 2010 ruling. The PID filed a brief in support of its appeal on July 19, 2010. Kingsway opposed the appeal. The parties completed briefing the matter on September 7, 2010, and the PID requested an advanced date of argument on the same day. On January 3, 2011 the Supreme Court ordered selected issues to be scheduled for oral argument at the next available time.

On October 17, 2011, Tawa PLC (Tawa) announced that following regulatory approvals from the PID, it had completed its acquisition of a majority stake in a newly formed holding company, LGIC Holdings, LLC ("Holdings"). Holdings owns 100% of the outstanding stock in Walshire and Lincoln. Kingsway purchased a minority stake in Holdings. As a result of the acquisition, all legal disputes between Kingsway and the PID were dismissed.

Note 11. None

Note 12. None

Note 13. None

Note 14. None

Note 15. None

Note 16. None

Note 17. None

NOTES TO FINANCIAL STATEMENTS

Note 18. None
 Note 19. None
 Note 20. None
 Note 21. Other items

- A. 1. On February 9, 2009, Lincoln discontinued the writing of new business. In addition, the Company began a process that would result in a voluntary, solvent run-off of all business. As a result of this decision, and at the request of the PID, the Company entered into a letter agreement with the PID (the "Letter Agreement") dated March 11, 2009. Among other things, the Letter Agreement required the Company to substantially cease all new writings of insurance except where otherwise required by law or pre-existing contractual obligations. This undertaking will ultimately result in the completion of an ongoing, orderly process of discontinuing all lines of business, a process which the Company began in 2008.

On March 1, 2010, following Lincoln's timely filing of its 2009 Annual Statement, a "regulatory action level event" occurred under Pennsylvania insurance law. This triggered a statutory obligation for Lincoln to prepare and submit for acceptance by the PID a formal, comprehensive Risk Based Capital Plan setting out the Company's proposals for dealing with its capital inadequacy ("the 2010 RBC Plan").

The 2010 RBC Plan was a run-off plan that provided for the orderly, efficient resolution and payment of all policy-related obligations in full and satisfaction of all other liabilities. The 2010 RBC Plan covers all material operations of the Company. The 2010 RBC Plan was submitted to the PID on April 30, 2010. On May 27, 2010 the Company received notification from the PID that the 2010 RBC Plan was satisfactory pursuant to 40 P.S. § 221.6-A(c).

In 2010, Lincoln carried out many of the objectives outlined in the 2010 RBC Plan. However, on March 1, 2011, following Lincoln's timely filing of its 2010 Annual Statement, another "regulatory action level event" occurred under Pennsylvania insurance law. This triggered a statutory obligation for Lincoln to prepare and submit for acceptance by the PID a new, formal, comprehensive Risk Based Capital Plan setting out the Company's proposals for dealing with its capital inadequacy ("the 2011 RBC Plan").

The 2011 RBC Plan is a run-off plan that provides for the orderly, efficient resolution and payment of all policy-related obligations in full and satisfaction of all other liabilities. The 2011 RBC Plan covers all material operations of the Company. On May 31, 2011 the Company received notification from the PID that the 2011 RBC Plan was satisfactory pursuant to 40 P.S. § 221.6-A(c).

In 2011, Lincoln carried out many of the objectives outlined in the 2011 RBC Plan. However, on March 1, 2012, following Lincoln's timely filing of its 2011 Annual Statement, another "regulatory action level event" occurred under Pennsylvania insurance law. This triggered a statutory obligation for Lincoln to prepare and submit for acceptance by the PID a new, formal, comprehensive Risk Based Capital Plan setting out the Company's proposals for dealing with its capital inadequacy. The Company will be submitting the 2012 RBC Plan to the PID by May 31, 2012.

2. In the 2009 and 2010 Audited financial statements the Company disclosed doubt about its ability to continue as a going concern. The Company's run-off plan, current RBC position, and the uncertainty of the ultimate settlement value of the insurance liabilities raise substantial doubt about the Company's ability to continue as a going concern. The Company expects that the 2011 Audited financial statements will also disclose doubt about its ability to continue as a going concern.

Note 22. None
 Note 23. None
 Note 24. None
 Note 25. None
 Note 26. None
 Note 27. None
 Note 28. None
 Note 29. None
 Note 30. None
 Note 31. None

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

NOTES TO FINANCIAL STATEMENTS

Note 32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

All of the Company's reserves have been discounted utilizing the non-tabular discounting at a rate of 2.75%. This discount rate is based upon the Company's investment portfolio. The total amount of discount as of March 31, 2012 is \$11,524,207. The amount of discount by line of business and reserve category is provided in the table below.

Line of Business	(1) Case	(2) IBNR	(3) Defense & Cost Containment Expense	(4) Adjusting & Other Expense	(5) Total
1. Homeowners/Farmowners	5,640	5,639	2,066	8,971	22,316
2. Private Passenger Auto Liability/Medical	505,959	(28,168)	(7,696)	28,291	498,386
3. Commercial Auto/Truck Liability/Medical	1,777,941	300,024	71,795	185,920	2,335,680
4. Workers' Compensation	1,178,812	920,731	232,464	179,847	2,511,854
5. Commercial Multiple Peril	425	39	25	279	768
6. Medical Malpractice - occurrence	0	0	0	0	0
7. Medical Malpractice - claims-made	0	0	0	0	0
8. Special Liability	31,611	3,338	592	1,510	37,051
9. Other Liability - Occurrence	1,518,649	1,350,181	662,071	547,246	4,078,147
10. Other Liability - claims-made	0	0	0	0	0
11. Special Property	1,994	2,351	1,226	2,658	8,229
12. Auto Physical Damage	290	443	748	7,736	9,217
13. Fidelity, Surety	1,683,423	262,457	36,753	37,299	2,019,932
14. Other (including Credit, Accident & Health)	0	0	0	0	0
15. International	0	0	0	0	0
16. Reinsurance Nonproportional Assumed Property	0	1,186	227	1,214	2,627
17. Reinsurance Nonproportional Assumed Liability	0	0	0	0	0
18. Reinsurance Nonproportional Assumed Financial Lines	0	0	0	0	0
19. Products Liability - occurrence	0	0	0	0	0
20. Products Liability - claims-made	0	0	0	0	0
21. Financial Guaranty/Mortgage Guaranty	0	0	0	0	0
22. Warranty	0	0	0	0	0
23. Total	6,704,744	2,818,221	1,000,271	1,000,971	11,524,207

Note 33. None

Note 34. None

Note 35. None

Note 36. None

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES**PART 1 - COMMON INTERROGATORIES****GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [X] No []
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [X] No [] N/A []
If yes, attach an explanation.
Lincoln General Insurance Company entered into a Run-Off Management Agreement, effective April 1, 2012, with Pro IS, Inc.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 07/25/2009
- 6.4 By what department or departments?
Pennsylvania
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes ☒ No ☐
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes ☐ No ☒
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ☐ No ☒
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes ☒ No ☐
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:\$172,278

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes ☐ No ☒
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:\$
13. Amount of real estate and mortgages held in short-term investments:\$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes ☐ No ☒
- 14.2 If yes, please complete the following:
- | | 1
Prior Year-End
Book/Adjusted
Carrying Value | 2
Current Quarter
Book/Adjusted
Carrying Value |
|---|--|---|
| 14.21 Bonds | \$0 | \$ |
| 14.22 Preferred Stock | \$0 | \$ |
| 14.23 Common Stock | \$0 | \$ |
| 14.24 Short-Term Investments | \$0 | \$ |
| 14.25 Mortgage Loans on Real Estate | \$0 | \$ |
| 14.26 All Other | \$0 | \$ |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$0 | \$0 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$ | \$ |
- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes ☐ No ☒
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☒
 If no, attach a description with this statement.

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [☒] No [☐]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of America Merrill Lynch	540 W. Madison, Suite 2006, Chicago, IL 60661

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [☐] No [☒]

- 16.4 If yes, give full information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
107105	BlackRock	52 E. 52nd Street, New York, NY 10055

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [☒] No [☐]

- 17.2 If no, list exceptions:

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

GENERAL INTERROGATORIES**PART 2 - PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? Yes [] No [] N/A [X]
If yes, attach an explanation.
2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? Yes [] No [X]
If yes, attach an explanation.
- 3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? Yes [] No [X]
- 3.2 If yes, give full and complete information thereto.
- 4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement instructions pertaining to disclosure of discounting for definition of "tabular reserves") discounted at a rate of interest greater than zero? Yes [X] No []
- 4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT				DISCOUNT TAKEN DURING PERIOD			
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
Homeowners/Farmowners	0.0	2.750	5,640	11,037	5,639	22,316	(1,073)	(3,505)	(3,077)	(7,655)
Private Passenger Auto	0.0	2.750	505,959	20,595	(28,168)	498,386	(15,099)	(25,582)	(95,067)	(135,748)
Commercial Auto/Truck Liability/Medical	0.0	2.750	1,777,941	257,715	300,024	2,335,680	(153,262)	(67,950)	(214,567)	(435,779)
Workers' Compensation	0.0	2.750	1,178,812	412,311	920,731	2,511,854	(131,458)	(15,162)	(1,654)	(148,274)
Commercial Multiple Peril	0.0	2.750	425	304	39	768	424	(45)	(56)	323
Special Liability	0.0	2.750	31,611	2,102	3,338	37,051	14,408	(205)	562	14,765
Other Liability-Occurrence	0.0	2.750	1,518,649	1,209,317	1,350,181	4,078,147	(274,678)	(160,563)	(212,855)	(648,096)
Special Property	0.0	2.750	1,994	3,884	2,351	8,229	403	404	746	1,553
Auto Physical Damage	0.0	2.750	290	8,484	443	9,217	(596)	(970)	(542)	(2,108)
Fidelity, Surety	0.0	2.750	1,683,423	74,052	262,457	2,019,932	(296,894)	(8,378)	(54,695)	(359,967)
Reinsurance Nonproportional Assumed Property	0.0	2.750	0	1,441	1,186	2,627	0	(1,529)	(2,066)	(3,595)
TOTAL			6,704,744	2,001,242	2,818,221	11,524,207	(857,825)	(283,485)	(583,271)	(1,724,581)

5. Operating Percentages:
- 5.1 A&H loss percent %
- 5.2 A&H cost containment percent %
- 5.3 A&H expense percent excluding cost containment expenses %
- 6.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 6.2 If yes, please provide the amount of custodial funds held as of the reporting date \$
- 6.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 6.4 If yes, please provide the balance of the funds administered as of the reporting date \$

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE F - CEDED REINSURANCE

Showing All New Reinsurers - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Domiciliary Jurisdiction	5 Is Insurer Authorized? (Yes or No)
NONE				

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	L	500	99,000	312,089	1,943,266	3,990,116
2. Alaska	AK	L					
3. Arizona	AZ	L	25,940	58,700	721,138	1,593,248	3,725,251
4. Arkansas	AR	L		125,000	(954)	306,617	1,363,058
5. California	CA	L	74,653	30,664	4,068,288	5,566,607	53,262,872
6. Colorado	CO	L	(354)			737	114,468
7. Connecticut	CT	L		345,002	29,959	1,775,711	3,228,326
8. Delaware	DE	L		50,000	3,010	253,237	729,843
9. District of Columbia	DC	L			9,743	1,558	9,877
10. Florida	FL	N	(776)	354,791	2,497,786	4,860,187	12,453,835
11. Georgia	GA	L	(68,779)	27	(53,244)	3,942,409	7,121,275
12. Hawaii	HI	L				14,557	107,094
13. Idaho	ID	L				16,315	151,925
14. Illinois	IL	L	1,000	(2,516)	680,736	1,273,818	15,891,359
15. Indiana	IN	L		16,824	105,576	1,358,398	742,240
16. Iowa	IA	L				3,702	930,566
17. Kansas	KS	L				180,465	335,031
18. Kentucky	KY	L		15,617	246,609	867,798	1,313,222
19. Louisiana	LA	L		198,319	244,592	1,266,819	2,988,519
20. Maine	ME	L			24,991	143,248	427,637
21. Maryland	MD	L	224	65,459	466,161	1,006,972	1,788,998
22. Massachusetts	MA	L					
23. Michigan	MI	L	(34)	289,961	141,245	1,905,087	3,067,463
24. Minnesota	MN	L			633,725	497,092	1,750,142
25. Mississippi	MS	L	(29,908)	104,000	207,832	1,010,886	2,168,788
26. Missouri	MO	L		21,727	174,659	688,948	893,174
27. Montana	MT	L			820	5,159	307
28. Nebraska	NE	L			(1,116)	58,206	50,433
29. Nevada	NV	L	19,272	63,778	250,501	6,319,410	6,321,800
30. New Hampshire	NH	L					
31. New Jersey	NJ	L	37,783	8,520	1,119,310	3,592,359	8,589,221
32. New Mexico	NM	L				44	305,451
33. New York	NY	L	12,431	(308,779)	3,906,547	8,878,972	35,131,432
34. North Carolina	NC	L		25,440	78,234	3,111,144	2,718,169
35. North Dakota	ND	L			1,035		41,915
36. Ohio	OH	L	2,033	15,429	327,328	(2,544)	710,579
37. Oklahoma	OK	L	(776)		400,150	1,149,400	614,557
38. Oregon	OR	L	(100)	19,000	260,000	189,383	109,293
39. Pennsylvania	PA	L	66,547	69,221	2,361,785	1,226,862	9,080,818
40. Rhode Island	RI	L		171,400	9,000		163,179
41. South Carolina	SC	L	(110,193)	1,548	179,345	218,051	747,821
42. South Dakota	SD	L				35,599	32,229
43. Tennessee	TN	L	17	442,098	317,517	2,326,325	3,099,768
44. Texas	TX	L	(10,913)	379,765	2,031,548	7,820,877	11,364,446
45. Utah	UT	L	807	44,214	17,720	90,360	436,816
46. Vermont	VT	L		(30,000)	18,873		49,045
47. Virginia	VA	L		(199)	216,355	260,213	972,459
48. Washington	WA	L	1,728	(8,544)	199,157	147,189	1,143,779
49. West Virginia	WV	L			75,500	930,985	859,229
50. Wisconsin	WI	L				189,289	573,658
51. Wyoming	WY	L					
52. American Samoa	AS						
53. Guam	GU						
54. Puerto Rico	PR						
55. U.S. Virgin Islands	VI						
56. Northern Mariana Islands	MP						
57. Canada	CN						
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0
59. Totals	(a) 50	31,986	(67,480)	16,454,018	28,598,843	163,094,761	271,168,244
DETAILS OF WRITE-INS							
5801.	XXX						
5802.	XXX						
5803.	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (O) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

[illegible]

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

PART 1 - LOSS EXPERIENCE

Line of Business		Current Year to Date			4 Prior Year to Date Direct Loss Percentage
		1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			(7,715)	0.0	0.0
2. Allied Lines				0.0	0.0
3. Farmowners multiple peril				0.0	0.0
4. Homeowners multiple peril			(103,050)	0.0	1,391.0
5. Commercial multiple peril			8,396	0.0	0.0
6. Mortgage guaranty				0.0	0.0
8. Ocean marine			80,376	0.0	0.0
9. Inland marine			45,445	0.0	73,882.2
10. Financial guaranty				0.0	0.0
11.1 Medical professional liability - occurrence				0.0	0.0
11.2 Medical professional liability - claims-made				0.0	0.0
12. Earthquake				0.0	0.0
13. Group accident and health				0.0	0.0
14. Credit accident and health				0.0	0.0
15. Other accident and health				0.0	0.0
16. Workers' compensation			564,230	0.0	(239.1)
17.1 Other liability - occurrence			(1,856,021)	0.0	3,880,832.0
17.2 Other liability - claims-made				0.0	0.0
17.3 Excess workers' compensation				0.0	0.0
18.1 Products liability - occurrence				0.0	0.0
18.2 Products liability - claims-made				0.0	0.0
19.1,19.2 Private passenger auto liability		(121,236)	(22,424)	18.5	107.5
19.3,19.4 Commercial auto liability			(1,793,365)	0.0	(280.0)
21. Auto physical damage		(12,627)	(74,952)	593.6	104.3
22. Aircraft (all perils)				0.0	0.0
23. Fidelity				0.0	0.0
24. Surety		(78,138)	516,114	(660.5)	124.6
26. Burglary and theft				0.0	0.0
27. Boiler and machinery				0.0	0.0
28. Credit				0.0	0.0
29. International				0.0	0.0
30. Warranty				0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0	0.0	0.0
35. Totals	(212,001)	(2,642,966)	1,246.7	38.5	
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0	
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	0	0.0	0.0	

PART 2 - DIRECT PREMIUMS WRITTEN

Line of Business		1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire		0		
2. Allied Lines		0		
3. Farmowners multiple peril		0		
4. Homeowners multiple peril		0		(1,937)
5. Commercial multiple peril		0		
6. Mortgage guaranty		0		
8. Ocean marine		0		
9. Inland marine		0		
10. Financial guaranty		0		
11.1 Medical professional liability - occurrence		0		
11.2 Medical professional liability - claims-made		0		
12. Earthquake		0		
13. Group accident and health		0		
14. Credit accident and health		0		
15. Other accident and health		0		
16. Workers' compensation		0		(79,198)
17.1 Other liability - occurrence		0		(25)
17.2 Other liability - claims-made		0		
17.3 Excess workers' compensation		0		
18.1 Products liability - occurrence		0		
18.2 Products liability - claims-made		0		
19.1,19.2 Private passenger auto liability		(148,550)	(148,550)	(193,384)
19.3,19.4 Commercial auto liability		0		(28,630)
21. Auto physical damage		(18,062)	(18,062)	1,326
22. Aircraft (all perils)		0		
23. Fidelity		0		
24. Surety		198,618	198,618	234,280
26. Burglary and theft		0		
27. Boiler and machinery		0		
28. Credit		0		
29. International		0		
30. Warranty		0		
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0	0
35. Totals	31,986	31,986	(67,478)	
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0	0	0
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	0	0	0

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

PART 3 (000 omitted)

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13
Years in Which Losses Occurred	Prior Year-End Known Case Loss and LAE Reserves	Prior Year-End IBNR Loss and LAE Reserves	Total Prior Year-End Loss and LAE Reserves (Cols. 1+2)	2012 Loss and LAE Payments on Claims Reported as of Prior Year-End	2012 Loss and LAE Payments on Claims Unreported as of Prior Year-End	Total 2012 Loss and LAE Payments (Cols. 4+5)	O.S. Date Known Case Loss and LAE Reserves on Claims Reported and Open as of Prior Year-End	O.S. Date Known Case Loss and LAE Reserves on Claims Reported Subsequent to Prior Year-End	O.S. Date IBNR Loss and LAE Reserves	Total O.S. Loss and LAE Reserves (Cols. 7+8+9)	Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 4+7 minus Col. 1)	Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/Deficiency (Cols. 5+8+9 minus Col. 2)	Prior Year-End Total Loss and LAE Reserve Developed (Savings)/Deficiency (Cols. 1+12) (Cols. 1+1+12)
1. 2009 + Prior	130,148	79,522	209,670	24,292	5	24,297	117,806	1,388	65,722	184,916	11,950	(12,407)	(457)
2. 2010	6,226	1,290	7,518	1,087	0	1,087	6,137	164	1,126	7,427	988	0	988
3. Subtotals 2010 + Prior	136,374	80,812	217,186	25,379	5	25,384	123,943	1,552	66,848	192,343	12,948	(12,407)	541
4. 2011	1,508	3,863	5,371	890		890	1,476	74	3,767	5,317	688	(22)	536
5. Subtotals 2011 + Prior	137,882	84,675	222,557	26,069	5	26,074	125,419	1,626	70,615	197,660	13,636	(12,429)	1,177
6. 2012	XXX	XXX	XXX	XXX	16	16	XXX	22	199	221	XXX	XXX	XXX
7. Totals	137,882	84,675	222,557	26,069	21	26,090	125,419	1,648	70,814	197,881	13,636	(12,429)	1,177
8. Prior Year-End Surplus As Regards Policyholders	2,855										Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7
											1. 9.9	2. (14.7)	3. 0.5
													Col. 13, Line 7 As a % of Col. 1 Line 8
													4. 41.2

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

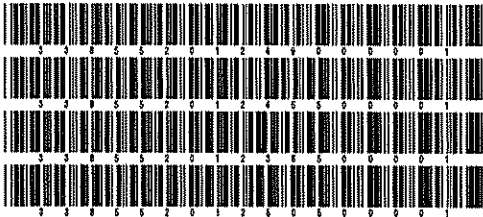
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement?	NO
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement?	NO

Explanations:

- 1.
- 2.
- 3.
- 4.

Bar Codes:

- 1. Trusteed Surplus Statement [Document Identifier 490]
- 2. Supplement A to Schedule T [Document Identifier 455]
- 3. Medicare Part D Coverage Supplement [Document Identifier 365]
- 4. Director and Officer Supplement [Document Identifier 505]



STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 25

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
2504. Leasehold Improvements	5,442	5,442	0	0
2505. Premium Taxes	147,070		147,070	142,331
2506.			0	0
2507.			0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	152,512	5,442	147,070	142,331

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,568,001	10,095,248
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	3,120	2,288
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation	132,861	529,535
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	9,438,260	9,568,001
10. Deduct total nonadmitted amounts		0
11. Statement value at end of current period (Line 9 minus Line 10)	9,438,260	9,568,001

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	160,696,079	341,980,618
2. Cost of bonds and stocks acquired	0	36,603,226
3. Accrual of discount	286,409	25,988
4. Unrealized valuation increase (decrease)	0	(17,756)
5. Total gain (loss) on disposals	1,447	1,713,386
6. Deduct consideration for bonds and stocks disposed of	3,300,241	216,953,506
7. Deduct amortization of premium	706,053	2,594,504
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	61,373
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	156,977,641	160,696,079
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	156,977,641	160,696,079

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity

During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	189,450,995	39,134,007	74,779,431	678,801	154,484,372	0	0	189,450,995
2. Class 2 (a)	25,363,369	10,188,509	0	(5,872,522)	29,679,356	0	0	25,363,369
3. Class 3 (a)	0	0	0	3,536,403	3,536,403	0	0	0
4. Class 4 (a)	0	0	0	1,038,794	1,038,794	0	0	0
5. Class 5 (a)	0	0	0	0	0	0	0	0
6. Class 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	214,814,364	49,322,516	74,779,431	(618,524)	188,738,925	0	0	214,814,364
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	214,814,364	49,322,516	74,779,431	(618,524)	188,738,925	0	0	214,814,364

(c) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 6,310,581 ; NAIC 2 \$ 11,934,447 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	31,761,176	XXX	31,857,957	25,242	85,515

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	47,620,743	17,051,767
2. Cost of short-term investments acquired	49,322,406	239,493,821
3. Accrual of discount	1,806	82,209
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	64,980,637	208,351,754
7. Deduct amortization of premium	203,142	655,300
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	31,761,176	47,620,743
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	31,761,176	47,620,743

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	6,497,544	6,597,903
2. Cost of cash equivalents acquired	0	26,488,134
3. Accrual of discount	2,456	11,597
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	6,500,000	26,600,000
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	6,497,544
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	6,497,544

SCHEDULE A - PART 2

Showing All Real Estate Acquired and Additions Made During the Current Quarter

[illegible]

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

[illegible]

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

Schedule B - Part 2 - Mortgage Loans Acquired

NONE

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

NONE

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

NONE

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

NONE

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/Decrease	Current Year's Amortization	Current Year's Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value	Total Foreign Exchange in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator	
31303-1B-3	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-4	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-5	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-6	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-7	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-8	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-9	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-10	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-11	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-12	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-13	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-14	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-15	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-16	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-17	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-18	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-19	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-20	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-21	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-22	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-23	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-24	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-25	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-26	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-27	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-28	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-29	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-30	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-31	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-32	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-33	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-34	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-35	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-36	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-37	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-38	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-39	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-40	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-41	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-42	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-43	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-44	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-45	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-46	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-47	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-48	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-49	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-50	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-51	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-52	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-53	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-54	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-55	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-56	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-57	FLS 43501 4.00% 07/07/13		02/01/2012	DNST		10,581	10,000	9,387	9,387	0	1	0	0	0	9,387	0	0	0	0	0	01/01/2032	1
31303-1B-58	FLS 43501 4.00%																					

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

E05.1

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consi- deration	Per Value	Actual Cost	Prior Year Book/Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Temporary Impairment Recogn- ized	Total Change in Book/ Carrying Value (11 + 12 - 13)	Total Foreign Exchange in Book/ Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con- tractual Maturity Date	NAIC Design- ation or Market Tr- indicator
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		726	726	722	723	0	3	0	3	0	726	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		1,564	1,564	1,564	1,564	0	0	0	0	0	1,564	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		1,564	1,564	1,564	1,564	0	0	0	0	0	1,564	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		1,831	1,831	1,831	1,831	0	0	0	0	0	1,831	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		282,083	282,083	282,083	282,083	0	0	0	0	0	282,083	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		56,468	56,468	56,468	56,468	0	0	0	0	0	56,468	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		226,888	226,888	226,888	226,888	0	0	0	0	0	226,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0	0	0	0	196,888	0	0	0	0	7/10/2022	L
31204H-4-5	FLUKE GOLD POOL # 02887 5.00% 01/01/12		02/01/2012	Paycom		196,888	196,888	196,888	196,888	0	0										

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
CUSIP Identification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consi- deration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's Amor- tization/ Accretion	Current Year's Temporary Impairment Recogn- ized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Con- tractual Maturity Date	NAIC Dispo- sition or Market In- di- cator	
314167-5-3	FMA POL # A0672 4.50% 07/01/24		02/01/2012	Payden		332,900	332,900	136,811	136,719	0	(3,271)	0	(3,271)	0	32,900	0	0	0	0	367	07/01/2024	L
314167-5-3	FMA POL # A0672 4.50% 07/01/24		03/01/2012	Payden		38,987	38,987	91,132	91,125	0	(1,089)	0	(1,089)	0	12,870	0	0	0	0	1,570	02/01/2024	L
314177-4-3	FMA POL # A0681 4.00% 12/01/24		02/01/2012	Payden		176,872	176,872	420,012	420,012	0	(4,889)	0	(4,889)	0	176,872	0	0	0	0	289	12/01/2024	L
314177-4-3	FMA POL # A0681 4.00% 12/01/24		03/01/2012	Payden		176,872	176,872	420,012	420,012	0	(4,889)	0	(4,889)	0	176,872	0	0	0	0	289	12/01/2024	L
314177-4-3	FMA POL # A0681 4.00% 12/01/24		03/01/2012	Payden		246,415	246,415	263,653	263,653	0	(6,247)	0	(6,247)	0	246,415	0	0	0	0	2,644	12/01/2024	L
314177-4-3	FMA POL # A0681 4.00% 12/01/24		03/01/2012	Payden		246,415	246,415	263,653	263,653	0	(6,247)	0	(6,247)	0	246,415	0	0	0	0	2,644	12/01/2024	L
314177-4-3	FMA POL # A0681 4.00% 12/01/24		03/01/2012	Payden		172,762	172,762	175,759	175,759	0	(2,996)	0	(2,996)	0	172,762	0	0	0	0	865	12/01/2024	L
314177-4-3	FMA POL # A0681 4.00% 12/01/24		03/01/2012	Payden		172,762	172,762	175,759	175,759	0	(2,996)	0	(2,996)	0	172,762	0	0	0	0	865	12/01/2024	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		01/01/2012	Payden		116,471	116,471	222,264	222,264	0	(3,798)	0	(3,798)	0	116,471	0	0	0	0	2,165	03/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		01/01/2012	Payden		116,471	116,471	222,264	222,264	0	(3,798)	0	(3,798)	0	116,471	0	0	0	0	2,165	03/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		55,944	55,944	98,118	98,118	0	(2,194)	0	(2,194)	0	55,944	0	0	0	0	455	03/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		55,944	55,944	98,118	98,118	0	(2,194)	0	(2,194)	0	55,944	0	0	0	0	455	03/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		45,260	45,260	46,353	46,353	0	(1,093)	0	(1,093)	0	45,260	0	0	0	0	30	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		45,260	45,260	46,353	46,353	0	(1,093)	0	(1,093)	0	45,260	0	0	0	0	30	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		19,071	19,071	19,311	19,311	0	(247)	0	(247)	0	19,071	0	0	0	0	107	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		19,071	19,071	19,311	19,311	0	(247)	0	(247)	0	19,071	0	0	0	0	107	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)	0	(319)	0	12,270	0	0	0	0	44,684	11/01/2025	L
314182-FL-2	FMA POL # A0638 4.00% 03/01/25		03/01/2012	Payden		12,270	12,270	12,589	12,589	0	(319)											

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

NONE

Schedule DB - Part B - Section 1 - Futures Contracts Open

NONE

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

NONE

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open

NONE

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

NONE

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

NONE

STATEMENT AS OF MARCH 31, 2012 OF THE LINCOLN GENERAL INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							